

Message Text

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43

ACTION AGR-20

INFO OCT-01 NEA-14 ISO-00 AID-20 EB-11 COME-00 IGA-02 L-03

JUSE-00 CIAE-00 INR-10 NSAE-00 RSC-01 OMB-01 TRSE-00

DRC-01 SSO-00 INRE-00 /084 W

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O 211604Z JUN 74

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC IMMEDIATE 8568

LIMITED OFFICIAL USE BEIRUT 7084

DEPT PASS AGRICULTURE AND CCC, ATTN: GOLDSTEIN OR PLYBON

E.O. 11652: N/A

TAGS: EFIN, LE, EAGR, EAID

SUBJECT: SALE OF CCC'S INTRA INVESTMENT COMPANY SHARES

REF: BEIRUT 6901

1. EMBASSY OFFICIALS AND CCC CONTROLLER MET WITH DIRECTOR GENERAL OF LEBANON MINISTRY OF FINANCE WHO AUTHORIZED LETTER TO U.S. EMBASSY (REFTEL). NO NEED SEEN FOR SEPARATE LETTER AS MENTIONED IN PARA 2 REFTEL AND PROPOSE TO REPLY TO REQUEST AS PER FOLLOWING TEXT, WHICH WOULD BE DELIVERED UNDER COVER OF A LETTER FROM EMBASSY: QUOTE. DR. KHALIL SALEM, DIRECTOR GENERAL, MINISTRY OF FINANCE, GOVERNMENT OF LEBANON. DEAR DR. SALEM: REFERENCE IS MADE TO THE LETTER OF JUNE 18, 1974, TO MR. ROBERT WARING FROM MR. KAMAL BOHSALI, DIRECTOR INTRA INVESTMENT COMPANY, S.A.L., REPRESENTING THE LEBANESE GOVERNMENT REQUESTING THAT THE COMMODITY CREDIT CORPORATION (CCC) GRANT TO THE GOVERNMENT OF LEBANON THE OPTION TO PURCHASE CCC'S SHARES OF STOCK IN INTRA INVESTMENT CO., S.A.L.

2. IN ACCORDANCE WITH ARTICLE 3(E) OF THE PROTOCOL BETWEEN MAJOR CREDITORS OF INTRA BANK S.A.L. AND KIDDER
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PEABODY AND COMPANY, INC., DATED OCTOBER 11, 1967, CCC

HEREBY GRANTS TO THE GOVERNMENT OF LEBANON THE OPTION TO PURCHASE THE SHARES OF INTRA INVESTMENT CO. S.A.L. ASSIGNED TO THE CCC. IT IS OUR UNDERSTANDING THAT THE OPTION WILL BE EXERCISED PRIOR TO DECEMBER 31, 1974.

3. SECTION 3(E) OF THE PROTOCOL PROVIDES THAT THE PER SHARE PRICE UNDER THE OPTION SHALL BE EQUAL TO CCC'S TOTAL ORIGINAL CLAIM, AFTER DEDUCTING RECOVERIES IN THE US AND DIVIDENDS RECEIVED, DIVIDED BY THE NUMBER OF SHARES. OF THE TOTAL ORIGINAL CLAIM OF \$21,757,994.43, CCC HAS RECOVERED IN THE U.S. \$11,602,322.45, LEAVING A BALANCE OF \$10,155,670.98 FOR WHICH CCC HAS ASSIGNED TO IT 730,468 SHARES OF STOCK. THEREFORE, THE PURCHASE PRICE OF THE SHARES UNDER THE TERMS OF THE PROTOCOL WOULD BE \$13,902964 PER SHARE.

4. TO FACILITATE THE TRANSFER OF THE SHARES TO THE GOVERNMENT OF LEBANON AND PAYMENT TO CCC OF THE SPECIFIED AMOUNT OF DOLLARS, CCC WILL PREPARE AN AGREEMENT TO BE SIGNED BY THE GOVERNMENT OF LEBANON, INTRA INVESTMENT CO. S.A.L. AND CCC. SUCH PROPOSED AGREEMENT WILL BE SUBMITTED TO THE RESPECTIVE PARTIES FOR REVIEW AND APPROVAL PRIOR TO SIGNING. SINCERELY, THEODORE J. BECKER (S/S), CONTROLLER. END QUOTE.

5. PLEASE HAVE TEXT REVIEWED BY APPROPRIATE CCC OFFICIALS, RISTAU OF DOJ, AND USDA-OGC. PLEASE REPLY SOONEST WITH CLEARANCE AND/OR COMMENTS.

6. REASON FOR GOL NOT IN POSITION TO FINALIZE TRANSACTION IS THAT ALTHOUGH AUTHORITY TO REQUEST OPTION CAME FROM COUNCIL OF MINISTERS, DECISION MUST BE SUBMITTED TO PARLIAMENT IN FORM OF LAW WHICH BECOMES EFFECTIVE IN 40 WORKING DAYS OF PARLIAMENT IF NOT NEGATIVELY ACTED ON BY PARLIAMENT.
GODLEY

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Message Attributes

Automatic Decaptioning: X
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Concepts: STOCKS (SECURITIES), PURCHASE AUTHORIZATIONS, INVESTORS
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Copy: SINGLE
Draft Date: 21 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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TAGS: EFIN, EAGR, EAID, LE, US, CCC, INTRA INVESTMENT COMPANY
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005